

EXHIBIT E

Coalview Centralia, LLC (“CVC”)
Quarterly Report
Fiscal Quarter Ending December 31, 2018

This Quarterly Report fulfills the requirements of Section 8.02 of the Loan Agreement between Washington Economic Development Finance Authority and Coalview Centralia, LLC and Section 6 of the Continuing Disclosure Agreement between Coalview Centralia, LLC and U.S. Bank National Association, as Dissemination Agent. This Quarterly Report will be filed with the MSRB’s Electronic Municipal Market Access system no later than 45 days following the end of the quarter.

Each of the following sections provides the corresponding quarterly information required in Section 7 – “Content of Quarterly Reports” of the Continuing Disclosure Agreement. The content requirement for each section is included in italics for reference at the beginning of each section.

Section 7.1

“The unaudited financial statements and operating data for the previous fiscal quarter of the type and in the format provided in audited financial statements of the Company, including the calculation of the Company’s Debt Service Coverage Ratio and unrestricted available funds on hand for such quarter.”

The tables in Attachment #1 provide the unaudited financial statements of CVC during the current quarter. Also included is the calculation of the Company’s Debt Service Coverage Ratio and unrestricted available funds.

Section 7.2

“For the last fiscal quarter of each Fiscal Year, a copy of the Company budget for the subsequent Fiscal Year.”

The 2018 CVC Annual Budget was approved by the bondholders on January 22, 2018.

Section 7.3

“A year-to-date comparison of the revenues and expenditures in the unaudited financial statements to the annual budget.”

The tables in Attachment #1 provide the unaudited financial statements of CVC during the current quarter and include a year-to-date comparison of the revenues and expenditures to the annual budget.

Section 7.4

“Recommendations of any consultant received in accordance with the Loan Agreement during such fiscal quarter.”

No recommendations have been received by any consultant in accordance with the Loan Agreement during the quarter.

Section 7.5

“Notice of any threatened termination of any license, permit or other official approval which is material to the activities of the Company, or of the commencement of any litigation or other governmental or judicial proceeding in which an outcome adverse to the Company could result in a judgment in excess of available insurance coverage or otherwise have a material adverse effect on the operations or financial condition of the Company, and any other event which reasonably could be expected to have a material adverse effect on the operations or financial condition of the Company.”

There has not been any threatened termination of any license, permit or other official approval which is material to the activities of the Company, or of the commencement of any litigation or other governmental or judicial proceeding in which an outcome adverse to the Company could result in a judgment in excess of available insurance coverage or otherwise have a material adverse effect on the operations or financial condition of the Company except for the following. On June 25, 2018, the Company received a letter from its customer threatening termination of the Project Agreements which is currently in litigation by Coalview.

Section 7.6

“Management discussion of any significant variance between budgeted and actual revenues and expenditures during the previous fiscal quarter.”

The tables in Attachment #1 provide the unaudited financial statements of CVC during the current quarter and include a comparison of the revenues and expenditures to the annual budget. Management discussion is included as notes to lines in Attachment #1.

Section 7.7

“Information submitted to a Rating Agency, if any, during the previous fiscal quarter with respect to the Bonds.”

There has not been any information submitted to a Rating Agency during the previous fiscal quarter with respect to the Bonds.

Section 7.8

“Termination of or notice of any event of default under any Project Agreement.”

There has not been a termination of or notice of any event of default under any Project Agreement.

Attachment #1

Coalview Centralia, LLC (“**CVC**”)
Financial Statements
Fiscal Quarter Ending December 31, 2018

Coalview Centralia, LLC
(A Washington Limited Liability Corporation)

CVC Balance Sheets
(U.S. Dollars, Unaudited Unless Specified)

	Audited Dec. 31, 2017	Unaudited March 31, 2018	Unaudited June 30, 2018	Unaudited Sept. 30, 2018	Unaudited Dec. 31, 2018
ASSETS					
Current Assets:					
Cash - Unrestricted	281,232	304,289	36,153	205,796	70,319
Cash - Restricted	2,652,576	2,309,881	3,798,721	2,191,317	1,848,755
Other Current Assets	1,095,252	1,601,918	432,678	2,031,500	2,671,539
Total Current Assets	<u>4,029,059</u>	<u>4,216,088</u>	<u>4,267,552</u>	<u>4,428,612</u>	<u>4,590,613</u>
Fixed/Intangible Assets:					
Fine Coal Recovery Plant	15,778,605	15,257,043	14,657,452	14,055,860	13,457,935
Debt Issuance Costs	-	-	-	-	-
Total Fixed Assets	<u>15,778,605</u>	<u>15,257,043</u>	<u>14,657,452</u>	<u>14,055,860</u>	<u>13,457,935</u>
TOTAL ASSETS	<u>19,807,664</u>	<u>19,473,130</u>	<u>18,925,004</u>	<u>18,484,473</u>	<u>18,048,549</u>
LIABILITIES & EQUITY					
Current Liabilities:					
Accounts Payable	3,607,046	2,940,353	3,790,853	4,817,136	6,283,984
Long Term Liabilities:					
Bonds Payable	17,860,002	17,649,219	17,289,827	16,930,435	16,595,766
Other Current Liabilities	911,734	872,665	855,580	886,185	948,451
Equipment Loans/Leases	871,551	826,673	781,062	727,784	691,211
Asset Retirement	189,975	189,975	189,975	189,975	189,975
Total Long Term Liabilities	<u>19,833,262</u>	<u>19,538,532</u>	<u>19,116,444</u>	<u>18,734,378</u>	<u>18,425,403</u>
Total Liabilities	23,440,308	22,478,885	22,907,297	23,551,515	24,709,387
Equity:					
Capital Contribution	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
PY Income/(Loss)	(6,677,994)	(6,677,994)	(6,677,994)	(6,681,045)	(6,677,994)
CY Income/(Loss)	45,350	672,239	(304,299)	(1,385,997)	(2,982,844)
Total Equity	<u>(3,632,644)</u>	<u>(3,005,755)</u>	<u>(3,982,293)</u>	<u>(5,067,042)</u>	<u>(6,660,838)</u>
TOTAL LIABILITIES & EQUITY	<u>19,807,664</u>	<u>19,473,130</u>	<u>18,925,004</u>	<u>18,484,473</u>	<u>18,048,549</u>

Coalview Centralia, LLC
(A Washington Limited Liability Corporation)

CVC Statements of Profit/Loss
(U.S. Dollars, Unaudited Unless Specified)

Note: Variances are reported as favorable/(unfavorable)

	Quarter Ending December 31, 2018	Budget Quarter Ending December 31, 2018	Quarter Variance to Budget	Note #	Year-To-Date Ending December 31, 2018	Budget YTD Ending December 31, 2018	Y-T-D Variance to Budget
Slurry, Dry Tons	211,786	385,968	(174,182)	1	1,011,183	1,539,486	(528,303)
Fine Coal, Clean Tons	12,291	77,194	(64,903)	1	54,252	307,897	(253,645)
Total Revenue	1,865,198	2,281,016	(415,818)	1	8,901,413	12,433,128	(3,531,715)
Ordinary Expenses:							
Payroll Expense	596,878	618,822	21,944		2,269,908	2,369,347	99,439
Fuel & Lube	10,408	7,150	(3,258)		34,165	28,600	(5,565)
Electric Power	56,283	56,283	-		262,654	225,132	(37,522)
Chemicals	350,588	561,000	210,412	2	1,505,139	1,856,500	351,361
Equipment Expense	172,639	117,848	(54,791)	3	667,323	693,010	25,687
Contract Services	12,318	12,522	204		82,305	136,735	54,431
Office	9,372	8,604	(767)		70,253	29,668	(40,585)
Travel	1,410	13,500	12,090		14,416	45,000	30,584
Insurance	77,346	45,803	(31,544)		260,124	252,803	(7,322)
Royalties & Fees	15,384	96,492	81,108	4	64,842	384,872	320,030
Administrative Costs	498,966	246,280	(252,686)	5	1,367,897	1,063,100	(304,797)
Total Expense	1,801,591	1,784,304	(17,287)		6,599,026	7,084,766	485,740
Net Ordinary Income	63,607	496,713	(433,105)		2,302,387	5,348,362	(3,045,975)
Other Income/Expense:							
Interest Income	9,406	6,000	3,406		38,291	24,000	14,291
Total Other Income	9,406	6,000	3,406		38,291	24,000	14,291
Interest Expense	538,971	490,740	(48,231)	6	1,920,448	2,008,157	87,710
Depreciation	601,994	592,840	(9,154)		2,380,514	2,371,360	(9,154)
Amort. & Accretion	104,359	104,359	-		417,435	417,435	-
Other Expense	8,039	19,500	11,461		163,541	199,243	35,702
Total Other Expense	1,253,363	1,207,439	(45,924)		4,881,938	4,996,196	114,258
Net Other Income	(1,243,957)	(1,201,439)	(42,518)		(4,843,647)	(4,972,196)	128,549
Net Income/(Loss)	(1,180,350)	(704,726)	(475,624)	7	(2,541,260)	376,166	(2,917,426)

Note	Management Discussion – Quarter Variances from Budget
1	Slurry production and associated revenue were significantly below budget due to continued difficult conditions with cattails and hard in-situ slurry material in the pond. Coal production remains lower than projected.
2	Lowered production for the quarter reduced chemical requirements.
3	Unfavorable variance due to delay in budgeted road building project.
4	Low coal recoveries resulted in a favorable variance in royalty expenses.
5	Higher legal expenses for the quarter resulted in an unfavorable variance.
6	Higher Bond interest accrual for August 2018 bonds resulted in a unfavorable variance.
7	Lower production than budgeted for the quarter resulted in an unfavorable net income.

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CVC Statements of Cash Flows
(U.S. Dollars, Unaudited Unless Specified)

	Audited Qtr Ending December 31, 2017	Unaudited Qtr Ending March 31, 2018	Unaudited Qtr Ending June 30, 2018	Unaudited Qtr Ending September 30, 2018	Unaudited Qtr Ending December 31, 2018
Net Income	(184,396)	672,236	(976,535)	(1,056,614)	(1,180,350)
OPERATING ACTIVITIES					
Accounts Receivable	(148,235)	(506,666)	1,169,240	(1,595,582)	(240,039)
Surety Bond	0	0	0	0	(400,000)
Bond Payment Escrow	590,000	(2,480,000)	0	0	0
Due to/from Affiliate	437,088	0	0	0	0
Accounts Payable	(107,067)	605,051	833,412	1,025,514	971,780
Net cash provided by Operating Activities	587,390	(1,709,379)	1,026,116	(1,626,682)	(848,609)
INVESTING ACTIVITIES					
Fine Coal Recovery Plant	2,290,725	521,562	599,591	601,591	610,745
Equipment	-	-	-	-	-
Bond Costs	-	-	-	-	-
Net cash provided by Investing Activities	2,290,725	521,562	599,591	601,591	610,745
FINANCING ACTIVITIES					
Bonds Payable	(1,246,356)	435,224	(359,392)	(359,392)	(196,892)
Loan Payable	(135,749)	294,008	-	-	-
Asset Retirement	-	-	-	-	-
Retained Earnings	-	-	-	-	-
Equipment Lease	(50,771)	138,947	(45,611)	(53,279)	(43,491)
Net cash provided by Financing Activities	(1,432,876)	868,179	(405,003)	(412,671)	(240,383)
Net cash increase for period	1,445,240	(319,638)	1,220,705	(1,437,762)	(478,247)
Cash at beginning of period	1,488,568	2,933,808	2,614,170	3,834,874	2,397,321
Cash at end of period	<u>2,933,808</u>	<u>2,614,170</u>	<u>3,834,874</u>	<u>2,397,112</u>	<u>1,919,074</u>

Debt Service Coverage Ratio	0.41 (\$1,448,664 NI b4 Debt Service / \$3,537,767 Debt Service)
Unrestricted Available Funds on Hand	\$ 70,319